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March 2, 1987

NEWSPAPER

Advertising Age®

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

Illustration by David Krainik

Jacoby mulls buying stock in JWT Group

By STEWART ALTER

Robert Jacoby would like to re-enter the advertising business in a big way—by taking a 35% stake in JWT Group.

The former chairman of Ted Bates Worldwide, now exiled from the ad world because of his contract dispute with Saatchi & Saatchi Co., told ADVERTISING AGE he is thinking about leading a group of investors in purchasing the JWT Group stock on a friendly basis. He would then serve as a consultant to help JWT boost its lagging profit margins.

Such a move would unite one of the advertising industry's biggest newsmakers of 1986 with the agency that so far has captured the headlines in '87.

Although Mr. Jacoby's ideas reflect only his interest and nothing more at this point, they take on significance for several reasons.

First, though no Wall Street takeover or buyout actions have emerged since the JWT Group first seemed to go "in play" a month ago, JWT is still being closely watched by investors.

Second, while various anonymous investor groups reportedly have considered a JWT bid in recent weeks, Mr. Jacoby brings a new credibility to the topic. He is widely recognized as one of the industry's star performers in squeezing profits from a worldwide agency.

Despite JWT's first-rate professional reputation, its inability to bring more to the bottom line has irritated Wall Street.

One crucial hurdle facing Mr. Jacoby's potential bid for JWT is whether a three-person arbitration committee's ruling, due in mid-April, will allow Mr. Jacoby to compete against his former employer, Saatchi & Saatchi, which ousted him last fall (AA, Sept. 22, *et seq.*).

Asked in a phone interview what his plans would be if the ruling is in his favor, Mr. Jacoby replied, "I'd like to buy J. Walter Thompson."

In the disarmingly frank style that is his characteristic in interviews, Mr. Jacoby explained that he is thinking of 35% of JWT's

(Continued on Page 68)

Bud's haymaker

Hagler-Leonard sponsorship deal is a knockout for A-B

By BRIAN MORAN

Anheuser-Busch has locked up a sponsorship deal for the Marvelous Marvin Hagler-Sugar Ray Leonard middlewight championship fight that should pay big dividends long after the April 6 event.

For less than $1 million plus the cost of TV ad time, A-B's tie-in package will include a network TV commercial featuring appearances by Messrs. Hagler and Leonard; title sponsorship of a barter syndicated fight-preview special; opening and closing "billboards" and between-rounds positions on the closed-circuit telecast; the appearance of the Budweiser logo on the ring mat and posts; the official program cover; and the fight poster.

That combination, plus Bud's ring-signature exposure on news media coverage and on an expected Home Box Office tape-delay telecast, will be worth millions to A-B, at a marginal cost.

The St. Louis-based brewer paid fight promoter Bob Arum of Top Rank Inc. a "high six-figure sum" for sponsorship rights.

A-B last week completed filming a TV commercial featuring Mr. Hagler and Mr. Leonard that heralds Budweiser's association with the bout. The spot combines locker-room shots of the fighters with the building of a boxing ring featuring the Bud logo.

A microphone drops into the center of the ring as a voice-over says: "Once in a lifetime, two legends meet in the ring. Budweiser is proud to be the official sponsor of the SuperFight."

Using the fighters in advertising without paying a hefty endorsement fee is a major coup for A-B. Messrs. Hagler and Leonard both have received tremendous exposure in previous bouts on network and cable TV (Mr. Leonard is an HBO boxing announcer), and their presence in

(Continued on Page 72)

Castle & Cooke may put Dole on the block

By JENNIFER PENDLETON

LOS ANGELES—A premier brand name may be up for grabs as rumors circulate that Castle & Cooke has placed its Dole Food Co. unit on the block.

A C&C spokeswoman declined to comment on reports from food industry sources that it has been in contact with several major companies regarding a possible sale of all or part of Dole.

Among the possible suitors most frequently mentioned are General Foods Corp., Quaker Oats Co. and RJR Nabisco, the parent of Dole rival Del Monte Corp. *(see related item on Page 67).*

None of these companies would comment on the subject.

As financier David Murdock's Flexi-Van Corp. completed its 1985 acquisition of C&C, speculation arose that Dole might be resold. Sources said Mr. Murdock bought the company to acquire its extensive Hawaiian real estate holdings, not to run a consumer-products company.

"Mr. Murdock is a property speculator, not a developer of brand names," said one former Castle & Cooke executive.

"He is a seller of assets, and clearly Dole is the biggest asset that company has," said another source.

Wall Street analysts estimate that Dole could fetch between $500 million and $900 million.

Although Mr. Murdock last year said he intended to hold onto Dole, his background supports the speculation about a sell-off. In 1982, the self-made millionaire bought Cannon Mills Co., a New York-based textile company. He invested millions of dollars modernizing its antiquated mills and increased the home-fashion brand's market share by introducing new designs and running ads featuring celebrities.

But Cannon Mills continued to lose money,

(Continued on Page 70)

Last Minute News

Davis, LBS mull NFL bid

NEW YORK—Billionaire Marvin Davis is in discussions with Grey Advertising's LBS Communications to make a joint bid for the TV rights to some National Football League games, sources say. The deal with Marvin Davis Co., Beverly Hills, Calif., would supersede an earlier proposal from LBS to represent a consortium of advertisers who would bid for the rights (AA, Nov. 24, *et seq.*). LBS and Mr. Davis would bid for "Monday Night Football" if ABC Sports does not renew with the NFL. If ABC signs a

(Continued on Page 8)

Highlights

A-B's fight fete 1
Anheuser-Busch has locked up a sponsorship deal for the Marvelous Marvin Hagler-Sugar Ray Leonard middlewight championship fight that should pay big dividends long after the April 6 event.

Nestle ponders fee setup 3
Nestle S.A., moving to shed a staid marketing image, is developing long-range strategic plans that will affect its relationships with its ad agencies. A key proposal is to drop the commission system worldwide in favor of a fee setup.

Wendy's execs prepare pep rally 3
Next week Wendy's International Chairman-ceo Robert Barney and other top company executives will outline marketing, promotion and new-product plans for the coming year and play cheerleader to whip operators of Wendy's 2,400 franchised restaurants into an excited, optimistic and cooperative mood. Critics —both among its franchisees and on Wall Street—say Wendy's badly needs a major overhaul.

Too new to be true 4
Some package-goods marketers and ad agencies are taking a cautious and skeptical approach on new-product introductions, despite recent bullish forecasts.

K mart's big plan 58
K mart Corp. has high hopes that a new line of Jordache clothing for bigger women will help it overtake No. 1 retailer Sears, Roebuck & Co. The line, representing the first joint venture between the New York-based apparel designer and the No. 2 retailer, is part of K mart's overall $2 billion effort to upgrade its image by refurbishing stores and adding brand-name merchandise.

CORPORATE CLOSEUP

Chiquita slips into new arena 66
United Brands once again is trying to move its Chiquita brand out of the grocery produce section and into the mainstream of consumer foods marketing. It is banking on the well-recognized brand name, associated with fresh produce for 88 years, to make it a top banana in a number of new categories.

FEATURES

Will Orange County bear fruit? 35
As population and enterprise soared in the past 20 years, forecasters predicted Orange County, Calif., would emerge as a dynamic business market and corporations would relocate to its 26 communities. And they believed fat times would follow for the ad agencies serving those companies. Despite early agency failures, the promise of Orange County is very much alive.

INTERNATIONAL

Japanese smokes filter into U.S. 44
Japan Tobacco, facing stronger competition at home from imported cigarettes, is trying to expand its U.S. presence, mainly for its Mild Seven Lights brand.

U.S. marks spot for U.K. retailer 46
Britain's biggest department store chain, Marks & Spencer, is on the verge of making its first move into the U.S. under its own name. Last year M&S announced plans to open four stores in New York state under the name of D'Allaird's.

OTHER NEWS

Cadillac is turning to soft-sell approaches—such as sponsoring concerts held in rich and famous people's homes—to reach the super-affluent market for Allante, the carmaker's new two-seater convertible. Page 24.

Piedmont Airlines is mounting a new marketing defense of its successful small-town-hub strategy as it confronts an expected takeover. Winston-Salem, N.C.-based Piedmont recently broke a new network TV commercial touting the efficiency of its flight operations and strength as an independent carrier, just as Norfolk Southern Corp. and USAir Group ignited a bidding war for the airline. Page 50.

Southwest Airlines last week started selling tickets through automated teller machines in Texas 7-Eleven convenience stores, becoming the first airline to use such machines outside airport locations. Page 59.

TV Guide has won the battle with *Reader's Digest* over the right to be called the largest-circulation U.S. magazine, according to the Audit Bureau of Circulations' FAS-FAX report for the six months ended Dec. 31. *Reader's Digest* had retained the top spot for at least five years. Page 66.

Procter & Gamble Co., which continues to fight the pernicious and persistent rumor that it is in cahoots with the devil, now is the target of legal action by one person it sued for spreading that rumor. Page 69.

SPECIAL REPORT

Toiletries & Beauty Aids—Takeovers have rocked marketers in the industry more than other consumer-products companies, and ultimately will change the way they do business.

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Renewed

Coke's NBC buy launches brand's 'new feeling' ads

By NANCY GIGES

ORLANDO, FLA.—New Coke is new Coke again.

Coca-Cola USA's 1987 advertising, shown to company bottlers here last week, revives and strengthens the "megabrand" concept for its flagship line and brings back the modifier "new" to describe the cola formula introduced in 1985, with initially disastrous results.

With the entire $90 million sugar cola business now handled by one agency, McCann-Erickson, the Coke campaigns are coordinated to work with the new umbrella theme, "When Coca-Cola is part of your life, you can't beat the feeling."

The Atlanta-based soft-drink marketer is expected to spend close to $200 million in measured media this year to support three key trademarks: Coca-Cola, including diet and Cherry; Sprite; and Minute Maid orange soda.

Heavy spending in advertising and promotion also is set for the youth and ethnic markets—triple what the company traditionally has invested in these areas, according to executives.

While the company said its budget is up from last year, executives declined to give a percentage increase.

The first airing will come March 5, when Coca-Cola airs five of its new commercials in a "vertical roadblock" on NBC-TV's top-rated Thursday lineup. The five spots, totaling three minutes, are scheduled to run on a one-per-show basis on "The Cosby Show," "Family Ties," "Cheers," "Night Court" and "L.A. Law" from 8 p.m. to 11 p.m. (ET).

Coca-Cola USA President Edwin R. Mellett said the vertical buy was a first (roadblock usually refers to a commercial being shown on all three networks at the same time—or horizontally).

Coca-Cola showed more than a dozen new commercials for its key brands at a three-day bottler meeting here, which included colorful song-and-dance routines, a trip to the company's co-sponsored American Adventure pavilion at nearby Epcot Center and concerts by The Pointer Sisters and Manhattan Transfer, two singing groups the company uses in TV spots. (Sources estimated the event cost at least $2 million.)

The 1,400 bottlers in attendance responded well to the new creative, designed to maintain the momentum Coca-Cola gained last year when it regained the No. 1 cola position, became the leading lemon-lime marketer with Sprite (overtaking 7UP) and attained a record 39% corporate market share in soft drinks.

Although most Coca-Cola soft

(Continued on Page 70)

L.A. 'Examiner' replaces Doner with Ketchum

LOS ANGELES—*The Los Angeles Herald Examiner* has hired Ketchum Advertising for its estimated $2 million account, after working with W.B. Doner & Co. for only a few weeks.

The *Herald Examiner*, the city's second-largest daily, had not signed a contract with Doner.

Doner gained the business after acquiring Wexler & Shalek soon after the latter successfully pitched the business. Advertising previously had been handled in-house.

Following the decision to hire W&S, *Herald Examiner* Director of Marketing Services Sally Gevirtz moved to Doner as an account supervisor. Circulation Marketing Manager Jane Neville Dudik replaced Ms. Gevirtz as promotion manager.

The account is the first new business for Ketchum's local office since it opened with American Honda Motor Co.'s Acura division account in 1985.

* * *

Plantronics, Santa Cruz, Calif., is reviewing BBDO, Chiat/Day and Woolward & Co., both San Francisco, for its $2 million account. The marketer of telephone headsets split with Peter Johns & Partners, San Francisco, in early January. Plantronics is expected to introduce several consumer electronics products soon.

* * *

Marriott Corp.'s seven southern California hotels are contacting agencies concerning a newly established account, estimated at $800,000. The association, yet to be named, will select an agency March 20 and is coordinating the review from Anaheim.

* * *

Diet Center, Rexburg, Idaho, this week will name an agency for its estimated $6 million account. The finalists are Cole & Weber, Seattle; Eisaman, Johns & Laws, Los Angeles; DFS/Dorland, San Francisco; Levine, Huntley, Schmidt & Beaver, New York; 2½-year incumbent J. Walter Thompson/West, San Francisco; WFC Advertising, Phoenix; and Weiden & Kennedy, Portland, Ore.

West Coast News

Newspaper Advertising SAU Inches in the MRCS

December 1986 vs. December 1985

AKRON, OH

	1986 Full Run	1986 Part Run	1985 Full Run	1985 Part Run
Beacon Journal (E)	106.480	——	103.204	——
Beacon Journal (S)	75.793	——	95.684	——
Grand Total	182.273	——	198.888	——

NOTE: Part run figures not available

ALLENTOWN, PA

Call (M)	172.944	——	——	——
Call (S)	92.859	——	——	——
Grand Total	265.803	——	——	——

NOTE: Part run figures and 1985 figures not available

ATLANTA, GA

Constitution (M)	189.532	95.661	178.923	75.299
Journal (E)	198.213	103.837	187.129	75.185
Journal & Constitution (S)	103.671	83.466	123.609	96.347
Journal & Constitution (Sat)	42.579	——	40.011	——
Grand Total	533.995	282.964	529.672	246.831

NOTE: Constitution Morning and Journal Evening published five days a week only

BALTIMORE, MD

Sun (M)	161.008	8.856	129.735	7.512
Sun (E)	126.790	8.650	100.843	7.502
Sun (S)	133.682	52.736	172.457	53.723
Grand Total	421.480	70.242	486.075	90.509

BERGEN COUNTY, NJ

Record (E)	174.623	29.599	166.961	31.604
Record (S)	143.623	40.060	168.571	47.114
Grand Total	318.246	69.659	335.532	78.718

NOTE: Record Evening published five days a week only

BOSTON, MA

Herald (M)	97.692	821	53.538	
Herald (S)	73.717	38.042	24.979	43.373
Globe (M)	155.961	15.736	148.063	14.926
Globe (S)	154.518	33.880	180.644	42.927
Grand Total	431.888	88.479	407.224	101.226

BUFFALO, NY

News (AD)	118.910	35.813	121.341	23.644
News (S)	68.026	24.252	82.137	24.065
Grand Total	186.936	60.065	203.478	47.709

CAMDEN, NJ

Courier-Post (E)	127.534	17.535	117.060	24.079
Courier-Post (S)	57.024	20.012	66.181	25.592
Grand Total	184.558	37.547	183.241	49.671

CHARLOTTE, NC

Observer (M)	148.849	30.313	135.368	23.927
Observer (S)	64.023	43.291	74.149	51.408
Grand Total	212.872	73.604	209.517	75.335

CHICAGO, IL

*Tribune (M)	192.599	376.369	210.846	320.092
*Tribune (S)	145.725	124.673	140.350	132.046
Sun-Times (M)	142.767	88.660	126.939	89.545
Sun-Times (S)	55.111	42.529	78.577	46.419
Grand Total	536.202	632.231	556.662	588.102

NOTE: Tribune figures supplied by publisher to Media Records. 1986 figures represent advertising for 11/24/86 to 12/28/86

CINCINNATI, OH

Enquirer (M)	188.656	18.169	191.193	10.221
Enquirer (S)	148.097	13.914	164.941	20.585
Post (E)	103.197	33.955	94.646	21.102
Grand Total	439.950	66.038	450.780	51.908

CLEVELAND, OH

Plain Dealer (M)	157.259	29.344	154.095	31.421
Plain Dealer (S)	104.558	10.517	139.720	8.423
Grand Total	261.817	39.861	293.815	39.844

DALLAS, TX

News (M)	317.029	11.704	329.670	9.090
News (S)	146.782	18.979	197.381	31.907
Times Herald (AD)	238.297	31.436	269.246	34.909
Times Herald (S)	115.101	24.884	153.787	32.428
Grand Total	817.209	87.003	950.084	108.334

DENVER, CO

Rocky Mt. News (M)	294.682	6.084	282.033	2.535
Rocky Mt. News (S)	104.030	131	126.616	1.899
Post (M)	200.575	18.731	205.002	1.949
Post (S)	108.528	3.550	154.390	1.919
Grand Total	707.815	28.496	768.041	8.302

DETROIT, MI

Free Press (M)	108.611	65.754	106.529	44.420
Free Press (S)	46.646	30.886	66.624	36.387
News (AD)	158.068	67.426	148.090	56.403
News (S)	86.154	44.931	93.663	59.957
Grand Total	399.479	228.997	414.906	197.167

ESCONDIDO, CA

Times-Advocate (E)	119.636	8.019	——	——
Times-Advocate (S)	43.258	34	——	——
Grand Total	162.894	8.053	——	——

NOTE: 1985 figures not available

FORT LAUDERDALE, FL

News & Sun-Sentinel (S)	115.531	——	139.718	——
Sun-Sentinel (M)	296.018	——	291.978	——
Grand Total	411.549	——	431.696	——

NOTE: Part run figures not available. Morning figures include the Saturday Edition

FORT WAYNE, IN

Journal Gazette (M)	97.724	——	95.514	——
Journal Gazette (S)	69.810	——	90.239	——
News Sentinel (E)	107.317	——	104.991	——
Grand Total	274.851	——	290.744	——

NOTE: Part run figures not available

GREENWICH/STAMFORD, CT

Time (E)	78.834	1.501	80.110	853
Time (S)	64.299	718	76.255	——
Advocate (E)	101.936	20.713	115.302	3.039
Advocate (S)	64.008	4.768	80.603	——
Grand Total	309.077	27.700	352.270	3.892

HARTFORD, CT

Courant (M)	166.885	31.040	157.940	35.334
Courant (S)	75.918	135.147	92.228	144.265
Grand Total	242.803	166.187	250.168	179.599

HONOLULU, HI

Advertiser (M)	143.457	——	144.988	——
Star-Bulletin (E)	139.464	——	142.653	——
Star-Bulletin & Advertiser (S)	89.327	——	105.002	——
Grand Total	372.248	——	392.643	——

HOUSTON, TX

Chronicle (AD)	231.650	46.333	261.181	46.292
Chronicle (S)	98.579	43.831	146.322	53.120
Post (M)	161.176	49.477	182.814	39.173
Post (S)	72.877	35.794	106.416	37.197
Grand Total	564.282	175.435	696.733	175.782

LONG BEACH, CA

Press Telegram (M)	115.376	61.985	120.563	——
Press Telegram (S)	68.291	2.098	77.500	——
Grand Total	183.667	64.083	198.063	——

NOTE: 1985 Part run figures not available

LONG ISLAND, NY

Newsday (E)	125.931	113.313	169.682	65.844
Newsday (S)	89.395	98.887	120.263	104.901
Grand Total	215.326	212.200	289.945	170.745

LOS ANGELES, CA

Times (M)	356.098	283.355	358.346	251.058
Times (S)	164.033	83.865	191.400	128.071
Herald-Examiner (M)	75.893	11.603	73.663	12.450
Herald-Examiner (S)	16.296	11.006	18.571	12.811
Grand Total	612.320	389.829	641.980	404.390

LOS ANGELES/SAN FERNANDO VALLEY, CA

News (M)	199.469	56.736	218.457	33.763
News (S)	83.252	681	113.493	3.457
Grand Total	282.721	57.417	331.950	37.220

*LOS ANGELES/TORRANCE, CA

Breeze (E & S)	222.146	——	264.281	——
Grand Total	222.146	——	264.281	——

NOTE: Figures supplied by publisher to Media Records

*LOUISVILLE, KY

Courier Journal (M)	116.305	57.528	108.634	63.206
Courier Journal (S)	60.573	76.798	85.347	85.995
Times (E)	96.419	72.058	94.244	69.884
Grand Total	273.297	206.384	288.225	219.085

NOTE: Figures supplied by publisher to Media Records

*MEMPHIS, TN

Commercial Appeal (M)	160.155	115.225	153.028	96.886
Commercial Appeal (S)	100.243	9.520	111.655	15.152
Grand Total	260.398	124.745	264.683	112.038

NOTE: Figures supplied by publisher to Media Records

MIAMI, FL

Herald (M)	192.594	——	195.355	——
Herald (S)	97.967	——	123.348	——
News (E)	62.435	——	59.906	——
Grand Total	352.996	——	378.609	——

NOTE: Part run figures not available

MINNEAPOLIS, MN

Star & Tribune (AD)	140.995	25.474	136.949	22.385
Star & Tribune (S)	123.051	1.867	158.045	2.066
Star & Tribune (Sat)	22.058	——	21.815	——
Grand Total	286.104	27.341	316.809	24.451

*NASHVILLE, TN

Banner (E)	128.900	——	121.891	——
Tennessean (M)	127.975	——	121.485	——
Tennessean (S)	92.696	——	110.020	——
Grand Total	349.571	——	353.396	——

NOTE: Figures supplied by publisher to Media Records

NEW BRUNSWICK, NJ

Home News (E)	97.015	1.966	100.659	891
Home News (S)	80.438	5.114	96.017	5.058
Grand Total	177.453	7.080	196.676	5.949

NEW YORK, NY

Times (M)	196.185	17.548	182.844	15.172
Times (S)	164.747	102.493	192.379	119.098
News (M)	61.192	104.360	70.422	101.339
News (S)	35.223	94.909	40.758	133.806
Post (AD)	63.972	1.358	59.733	1.430
Grand Total	521.319	320.668	546.136	370.845

NEWARK, NJ

Star Ledger (M)	215.334	8.064	212.719	7.703
Star Ledger (S)	162.071	32.335	193.568	47.935
Grand Total	377.405	40.399	406.287	55.638

OAKLAND, CA

Tribune (M)	102.156	102.730	103.790	74.512
Tribune (S)	33.051	45.338	57.158	52.009
Grand Total	135.207	148.068	160.948	126.621

OCEANSIDE, CA SAN DIEGO COASTAL NORTH COUNTY

Blade-Tribune (E)	118.373	9.031	105.515	2.185
Blade-Tribune (S)	38.528	——	63.583	——
Grand Total	156.901	9.031	169.098	2.185

NOTE: Blade-Tribune Evening published five days a week only

ORANGE COUNTY, CA

Register (AD)	321.953	113.383	307.457	96.817
Register (S)	129.942	5.578	158.229	9.980
Grand Total	451.895	118.961	465.686	106.797

PHILADELPHIA, PA

Inquirer (M)	183.322	35.033	188.861	43.475
Inquirer (S)	116.370	73.764	146.754	59.798
News (E)	89.301	14.847	98.367	10.909
Grand Total	388.993	126.644	433.982	114.182

*PHOENIX, AZ

Arizona Republic (M)	339.584	27.390	353.711	20.431
Arizona Republic (S)	190.818	——	190.054	——
Gazette (E)	324.766	27.528	338.389	20.623
Grand Total	855.168	54.918	882.154	41.054

NOTE: Figures supplied by publisher to Media Records

*RIVERSIDE, CA

Press Enterprise (M & S)	294.789	22.965	314.858	18.271
Grand Total	294.789	22.965	314.858	18.271

NOTE: Figures supplied by publisher to Media Records

*ST. LOUIS, MO

Post Dispatch (M)	148.152	38.364	127.827	39.743
Post Dispatch (S)	118.873	951	152.135	——
Grand Total	267.025	39.315	279.962	39.743

NOTE: Figures supplied by publisher to Media Records

ST. PAUL, MN

Pioneer Press Dispatch (AD)	113.124	——	112.493	——
Pioneer Press Dispatch (S)	97.390	——	124.243	——
Grand Total	210.514	——	236.736	——

NOTE: Part run figures not available

SAN ANTONIO, TX

Express-News (AD)	144.468	45.696	160.497	36.405
Express-News (S)	78.835	38.452	98.648	51.072
Express-News (Sat)	30.392	——	39.263	——
Light (AD)	161.179	28.911	143.003	40.533
Light (S)	95.664	11.915	106.393	31.994
Light (Sat)	24.391	1.415	33.599	
Grand Total	534.929	126.389	581.403	160.004

NOTE: Express-News All Day and Light All Day published five days a week only

SAN DIEGO, CA

Union (M)	240.330	50.692	247.576	38.290
Union (S)	116.851	——	149.230	——
Tribune (E)	249.418	50.409	255.509	37.195
Grand Total	606.599	101.101	652.315	75.485

SAN FRANCISCO, CA

Chronicle (M)	140.884	115.844	145.297	90.037
Examiner & Chronicle (S)	63.958	44.136	81.620	65.302
Grand Total	294.842	159.980	226.917	155.339

SAN JOSE, CA

Mercury News (AD)	302.344	21.647	306.430	32.416
Mercury News (S)	141.023	——	178.950	——
Grand Total	443.367	21.647	485.380	32.416

SHREVEPORT, LA

Journal (E)	108.318	10.604	96.903	6.705
Times (M)	120.675	19.391	129.944	18.350
Times (S)	60.071	19.861	81.998	12.756
Grand Total	289.064	49.856	308.845	37.811

*STATE COLLEGE, PA

Centre Times (E)	88.069	5.963	93.385	1.355
Centre Times (S)	40.865	602	43.599	254
Grand Total	128.934	6.565	136.984	1.609

NOTE: Figures supplied by publisher to Media Records

SYRACUSE, NY

Herald Journal (E)	89.944	61.215	102.637	32.114
Herald American (S)	49.827	56.497	60.100	52.516
Post-Standard (M)	82.905	53.634	88.703	36.024
Grand Total	222.676	171.346	251.440	120.654

*TAMPA, FL

Tribune (AD&S)	297.982	102.665	362.073	95.342
Grand Total	297.982	102.665	362.073	95.342

NOTE: Figures supplied by publisher to Media Records

*TOLEDO, OH

Blade (E)	137.336	——	136.554	——
Blade (S)	94.923	——	90.699	——
Grand Total	232.259	——	227.253	——

NOTE: Figures supplied by publisher to Media Records

WASHINGTON, DC

Post (M)	280.371	49.689	269.117	48.135
Post (S)	126.761	60.226	153.396	73.527
Grand Total	407.132	109.915	422.513	121.662

WASHINGTON, DC SUBURBAN GROUP

Alexandria Journal (M)	72.350	——	65.848	——
Prince George's Journal (M)	63.176	——	56.511	626
Montgomery Journal (M)	60.923	270	59.451	294
Fairfax Journal (M)	75.018	270	66.951	1.602
Arlington Journal (M)	72.412	——	66.214	——
Grand Total	343.879	540	314.975	2.522

NOTE: Alexandria Journal Morning, Prince George's Journal Morning, Montgomery Journal Morning, Fairfax Journal Morning, and Arlington Journal Morning published five days a week only

WESTCHESTER ROCKLAND, NY

Reporter Dispatch (E)	105.287	24.077	95.034	15.588
Reporter Dispatch (S)	70.272	35.579	115.052	17.821
Grand Total	175.559	59.656	210.086	33.409

WICHITA, KS

Eagle-Beacon (M)	138.147	——	134.584	——
Eagle-Beacon (S)	75.938	——	109.238	——
Grand Total	214.085	——	243.822	——

NOTE: Part run figures not available

Source: Media Records

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REPORTING METHODOLOGY

Media Records continues to measure in linage but due to the introduction of the SAU 6 column format Media Records has designed and developed a methodology with the approval of our subscribers, the INAME Measurements Committee, The ANPA NAB Working Committee, The AAAA Newspaper Committee, and other industry groups.

The approved methodology is titled The Media Records Conversion System (MRCS) and is based upon the printed page area of each product of the newspaper and is a five step approach as follows:

1. Measure Printed Page
   Width and Depth in Inches
2. Determine Square Inches of Page
   Multiply Width by Depth Inches
3. Determine the Number of SAU Inches of Page
   Divide the Square Inches by 2.0625 (SAU Inches)
4. Measure the Total Lines of the Page
   Multiply Column Depth Agate Lines by the Number of Columns on the Page
5. Determine the Factor for Converting Measured Lines to Reported SAU Inches
   Divide the Total Lines of Page by the Number of MRCS SAU Inches of the Page

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Ethnic haircare marketers battling for share

By Phyllis Furman

Tension underscores the struggle between black-owned cosmetics companies and general marketers for control of the ethnic haircare segment.

A series of controversies surrounds the market segment, including allegations from black companies that white marketers are deceiving consumers with packaging similar to that used by black companies. Chicago-based Soft Sheen Products, for example, is currently suing Revlon Inc., New York, charging that the cosmetics giant copied its package design to confuse customers.

Other black-owned companies are accusing Melrose Park, Ill.-based Alberto-Culver Co. of leading black consumers to believe that its TCB (Taking Care of Business) line—with its signature Afra logo—is manufactured by a black company.

Recently, a full-scale ethnic battle erupted when Irving J. Bottner, president of Revlon's professional products division, made statements in the Oct. 13, 1986, issue of *Newsweek* that questioned the future of black-owned companies. Mr. Bottner stated: "In the next couple of years, the black-owned businesses will disappear. They'll all be sold to white companies." Both Revlon and Mr. Bottner have since apologized for the remark, saying that the comment was taken out of context.

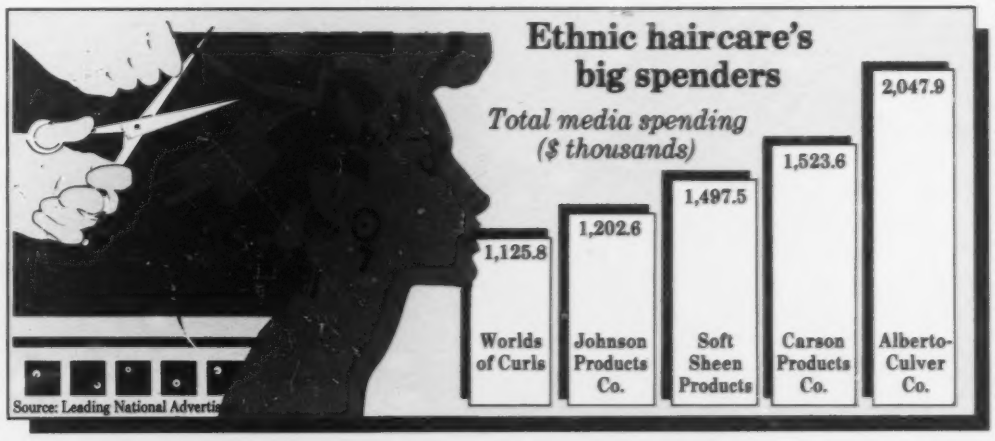
A national boycott of Revlon products ensued, led by Jesse Jackson's Operation PUSH. It culminated when Revlon, faced with the consumer boycott, sold its operation in South Africa.

And late in January, Essence Communications, publisher of *Essence*, a magazine targeted to black women, joined *Ebony*, *Jet* and *Impact* in banning future advertising by Revlon in its magazine because of Mr. Bottner's statement.

At stake in this battle is the ethnic hair-care segment—one of the fastest growing in the health and beauty aids category, according to Business Trends Analysts, a research company based in Commack, N.Y. Sales of all toiletries and cosmetics to black consumers topped $2.7 billion last year, with hair-care preparations making up approximately 40% of those sales, according to BTA.

Growth in dollar volume of ethnic personal care products has averaged in excess of 12% during the past five years, and BTA predicts that increased brand awareness, product-line expansions, rising demand due to demographic shifts and the development of more extensive distribution networks will help to underwrite continued growth.

The strength of ethnic haircare sales has not been lost on general market beauty companies which, in light of less than spectacular growth in the overall toiletries and cosmetics industry, have been looking into diversifying their product lines.



Several years ago, the general market giants began escalating their efforts to target the black consumer by extending ethnic product lines, studying black purchasing habits and increasing black media spending.

General market companies now account for 50% of the ethnic hair-care market, according to BTA and the American Health & Beauty Aids Institute (AHBAI), a Chicago-based trade organization of black-owned health and beauty aids companies.

Mainstream marketers, including Alberto-Culver, New York-based Clairol, Revlon and Boston-based Gillette Co., market a host of black haircare products—from relaxers to curl activators—under existing product divisions or recently acquired black companies.

Of particular interest to general market beauty companies are black consumers' buying habits. Blacks spend up to five times more on personal care products than the average consumer, according to AHBAI.

Further supplementing this segment's growth is the variety of black hair types needing different styling aids. "Just as blacks come in all colors, our hair comes in different types and requires more care because it's dry and brittle," explains Barbara Ingram, director-corporate communications and creative services for Atlanta-based M&M products.

Finally, black women are fashion conscious, and, like most other women, hair is their No. 1 beauty concern. As a result, they are especially receptive to new product introductions, according to industry analyst Nancy Hall, VP, research division, Smith Barney, Harris Upham & Co., New York.

"The large companies have a lot more advertising and promotion muscle," says Eugene Morris, who worked on the Johnson Products account at Burrell Advertising, Chicago. Chicago-based Johnson Products Co. is handled by Burrell and The Randall Group, Chicago.

More significantly, mainstream marketers have access to distribution channels and retail outlets that elude some black companies. "Gillette, for instance, has an in-house sales force and a solid relationship with retailers because of its other product categories. It can easily piggyback ethnic products on its existing distribution channels," says Ms. Hall.

"Retailers simply don't allot enough shelf space for our [black-owned companies] products," says Lafayette Jones, executive director of AHBAI, noting the retailers' reluctance to stock black lines in full because of a lack of information about the products and little knowledge about black buying habits.

"The general market uses all the clout it has. I've seen general marketers come in and manhandle our marketplace, keeping products on the shelves for nine months before they turned a profit," says George Johnson, president and founder of Johnson Products. He says retailers do not have enough inventory to support his product line, and because of this "[retailers] out of stocks have pulled our market share down."

Johnson Products sales have dropped from $37.8 million in 1985 to $34.5 million in 1986.

But mainstream marketers are quick to contend that they face their own obstacles in targeting black dollars. "The Revlon name gives us an advantage with the consumer," says one Revlon executive, who requested anonymity, "but many aggressive smaller companies have more flexibilty than we do—they can make immediate decisions where we can't."

Attempting to regain market share, black companies have returned to a strategy that industry analysts predict may no longer be viable: Appealing to the good will of the black consumer. AHBAI recently launched a $2 million campaign encouraging black consumers to buy black-manufactured beauty aids, increasing its budget to $3 million after Mr. Bottner's statements appeared in *Newsweek*.

Indeed, some black manufacturers perceived Mr. Bottner's statements as their opportunity to tug at black consumers' heartstrings. "We see Bottner's remarks as a chance to create awareness of the advantages of doing business with black-owned companies," says Comer Cottrell, president of Pro-Line Products, Dallas, and chairman of AHBAI. "The outrage overwhelmed the community, and it was a little self-serving."

Black consumers are more aware of their "social responsibilities," says AHBAI's Mr. Jones. "Politics is connected to business."

Still, black consumers, like anyone else, base many of their purchase decisions on product performance and label cachet, making appeals to ethnic allegiance an undependable means of targeting black dollars. "Black women are looking for performance—that's the bottom line," says Ms. Hall.

"If a black consumer thinks a product is a good one, he'll buy it—it doesn't have anything to do with pride," says Margaret Carroll, a BTA industry analyst.

Black companies also are trying to price their products more competitively. Historically, their prices have been higher because they lack general marketers' economies of scale.

Via AHBAI's efforts, they are attempting to gain more shelf space in stores. Mr. Jones meets with heads of retail chains and attempts to convince them that carrying entire lines of black products will bring more black consumers into their stores.

Faced with slackening U.S. sales, black companies also are targeting international markets. For example, in 1979 M&M introduced its products to Great Britain and has since expanded to other areas including Africa and the Caribbean. According to a spokesman at M&M, company international sales have grown 5% annually over the past seven years.

Nevertheless, industry analysts predict black-owned companies will continue to lose market share unless they price products more competitively, beef up their advertising budgets and garner more shelf space.

For some, regaining black consumer dollars will be a matter of survival because black companies can't target both whites and blacks, says Mr. Johnson. "Black consumers are our only market."

Phyllis Furman is an Advertising Age stringer covering New York and New Jersey.

New face

(Continued from Page S-2)

by consumer goods.

"It made financial sense for companies to make acquisitions when valuations were so low," Mr. Salzman says. "Companies could bid in excess of stock prices because those prices didn't really reflect asset value."

When corporations like P&G and Unilever add companies such as Richardson-Vicks or Chesebrough-Pond's to their lineups, he says, the moves may well signal industry expansion, not consolidation. He calls those acquisitions "classic add-ons."

Mr. Salzman says industry sales moved upward in the second half of 1986, and he foresees more growth ahead because costs have stabilized, pricing is modestly higher and consumers are more receptive to line extensions.

"Consumer products couldn't ask for a better environment. The outlook for gross profits is good, as it should be in a long-term, low-inflation environment," he says. "That's what's attracting the takeover people."

However, not everyone shares Mr. Salzman's optimism.

"Cosmetics is a hard business," says industry consultant Allan Mottus, president, Allan Mottus & Associates, New York. "The consumer is getting shrewder, and more value-driven."

He says that skin care, which is "the only category with any vitality," has grown at an annual rate of about 5% in unit sales on a dollar gain of 10% to 11%. Women's fragrances dropped slightly, about 3%, in 1986 and unit sales of makeup added only 3% on a dollar gain of 6%, Mr. Mottus says.

He predicts industry consolidation will leave the customer with fewer choices in the future.

"Some lines will be cut back," he says, and as the big companies gain even more leverage, "the little [companies] will have less maneuverability."

However, Mr. Mottus sees new opportunities emerging for entrepreneurs who have the know-how to carve a niche in the market. "The problem with size is that the bigger a company gets, the more conservative and ingrained it becomes," he says.

"In this industry, where the cost of manufacturing is relatively low, a little guy can mount the challenge. And if he's right—if his fashion sense is correct—he can run with it."

Specialty retailers spice up their product lines

By Faye Brookman

Retailers are stamping their names on fragrances, hoping their stores' ambiences can be captured, bottled and sold.

Benetton, Bijan, Royal Silk and Tiffany & Co., head the list of retailers with branded fragrance entries. And industry experts say it will not be surprising to see debuts from companies ranging from The Limited's Victoria's Secret to Banana Republic. Tiffany & Co., New York, recently announced a joint venture with Chanel to produce Tiffany's first fragrance. Chanel will handle the manufacture and distribution of the product, which should appear in Tiffany's eight stores by September 1987 and will be launched into department and specialty stores in spring 1988.

Annette Green, executive director of New York-based Fragrance Foundation, confirms retailer interest in fragrances. "If the number of inquiries we've received recently is any indication, there will continue to be many more non-traditional techniques in selling fragrances."

According to Leslie Grunberg, president of Benetton Cosmetics Corp., New York, which will launch Colors de Benetton in August 1987, the trend is not new, but is gaining favor because of the growing interest in specialty stores.

"Chanel and Hermes have had fragrance in their boutiques for years," says Mr. Grunberg. "It is the easiest and the least expensive way to get your product into a consumer's hand. It is such a fragmented market, anyone has a shot . . . Look at Giorgio."

The sweet success of Giorgio has undoubtedly inspired other retailers to enter the fray. Giorgio, Beverly Hills, rolled out its fragrance two years ago via a heavy direct mail campaign followed by a splashy exclusive launch at Bloomingdale's. Giorgio, now sold through most major outlets, is a $60 million to $65 million brand at retail, controlling a 4.5% share of the market, according to industry consultant Allan G. Mottus, president, Allan Mottus & Associates, New York.

Total fragrance volume rose a paltry 5% to $2.3 billion in 1986, excluding direct mail sales, says Mr. Mottus. The market is saturated, and it takes a behemoth budget to make a dent in it. Successful launches, such as Calvin Klein's Obsession or Christian Dior's Poison, were backed with ad budgets of at least $10 million. Why, then, would retailers want to tangle with the category?

"They have a built-in audience, and they have the key ingredient—distribution," says Diana Temple, VP and financial analyst, Salomon Brothers, New York.

Donna Italiano, editor/special projects director of *Product Marketing*, a New York-based trade publication covering the beauty industry, agrees. "We're finding heightened competition, and the high cost of competition has led retailers to fragrances because they already have a channel of distribution. A retailer who has created a niche in the market can probably create a demand for a fragrance."

Because distribution channels are in place, retailers hope to avert the exorbitant promotional costs associated with fragrance debuts. "The dollars being spent are totally out of control," says Mr. Grunberg. "A great deal of the money is being spent just to get the products into the store."

The Benetton fragrance line won't have that problem. Colors de Benetton will retail between $25 and $60 and will be sold in 600 Benetton units across the country. Mr. Grunberg expects the scent could capture as much as 10% of sales volume. In fact, if each store sold only two bottles a day, the fragrance could soar to a $10 million business.

Although Italy-based Benetton is a recognized label to most Americans, the company is supporting the fragrance with an estimated $4 million in promotional spending. The effort is tied into $6 million of Benetton clothing ads, which will include scent strips. Placement will range from Harper's Bazaar to *Rolling Stone*. Eldorado, Paris, handles the creative; J. Walter Thompson in New York is in charge of media placement.

Mr. Mottus says it is not unusual for cosmetics and fragrance to produce as much as 10% to 12% of total store sales. Benetton is planning its own line of cosmetics, too.

Bijan, the chic men's clothing store with showrooms in New York and Beverly Hills, Calif., already has a men's scent and has plans for a women's offering. Although Virgit Kelley, licensing director for Esprit de Corp., San Francisco, says that no decision has been finalized, retailers expect an Esprit fragrance shortly.

But some companies may find it difficult to get the consumer to identify the fragrance with the image of the retailer, according to Wendy Banks, VP-marketing for Liz Claiborne Cosmetics, New York. "If The Limited came out with a fragrance, would it mean anything to the consumer?" Moreover, industry watchers wonder what will happen when retailers want counter space at the department store.

Benetton's Mr. Grunberg says department and drug stores may be leery of adding retailers' fragrance offerings because it may lead consumers away from their stores into the specialty shops to buy the fragrances. Still, specialty shops are planning to enter drug store chains and fill their shelves with new scents.

A representative of New York-based Bloomingdale's says, "We strive to get what is exclusive and if something is sold a few blocks away, it isn't as important for us." But if there is consumer demand, most retailers would not turn the scent away.

Some merchants think the demand exists. Clifton, N.J.-based Royal Silk, for example, is rolling national with Royal Silk Parfum. Royal Silk—a direct marketer of silk clothing with $50 million in sales in 1985—has sold 15,000 bottles of all its offerings to date via its catalog, which has a distribution of more than 26 million, according to Gerry Pike, VP of the 8-year-old company.

Royal Silk is banking on retailer acceptance based on its brisk catalog sales. The fragrance will continue to be featured as an insert in the catalog. Spending will be minimal, probably under $2 million, industry analysts estimate; advertising is handled in-house.

The trend toward established retailers adding fragrances to standard offerings probably will continue. A small counter display of fragrance takes up little space, yet produces impressive sales. The dollars generated are incremental and the profits—fragrance gross margins, which are over 30%—are attractive.

But, marketers note, this move could significantly alter the complexion of fragrance selling. "Specialty stores are obviously where the customer wants to shop," says Mr. Mottus.

The days of mammoth budgets for fragrance ads could be over if cosmetics and fragrances continue to be sold in specialty store outlets because the identification factor is already in place, says Jack Salzman, VP and senior analyst of Goldman Sachs, New York.

And it is not expected major vendors will team up to create the fragrances. Mr. Grunberg,

(Continued on Page S-12)

Faye Brookman is a New York-based free-lance writer who specializes in the toiletries and beauty aids industry.

Buyers' picks

Department & specialty store buyers rank women's fragrances

Best sellers	
Obsession	33.3%
Giorgio	21.0
Oscar de la Renta	19.6
Anais Anais	19.6
Chanel	10.1
Opium	10.1
Weak sellers	
Albert Nipon	11.1%
Prince Matchabelli	11.1
Revlon	10.3
DVF	8.7
YSL	7.9

Source: Goldman Sachs Research

Buyers' picks

Department & specialty store buyers rank men's fragrances

Best sellers	
Polo	62.9%
Aramis	46.2
Lagerfeld	11.4
Giorgio	6.3
Weak sellers	
One Man Show	16.2%
Cardin	13.7
Chaps	10.3
English Leather	9.4

Source: Goldman Sachs Research

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Cosmetic beauty is in the eye of the computer

By Sandra Lee Breisch

Elizabeth is the envy of the cosmetics counter. There's no doubt she's good at what she does.

She scans a client's skin to define color and tone. Without applying a touch of makeup, Elizabeth experiments with three different beauty make-overs. She even takes into consideration variables like lighting effects, clothing and jewelry. Elizabeth also is an expert at hair styling.

Elizabeth will do all of the above for $25, which will be refunded if the customer buys what she is selling. And she has been in the business only since August 1984, when she showed up at Macy's cosmetics counter in New York.

But Elizabeth is not an average employee. She's a computer designed for Elizabeth Arden, New York. And as the technology becomes increasingly accessible, more cosmetics companies are introducing similar microchip marvels to compete for counter space.

"The primary objective is to improve the quality of the customer's experience with cosmetics and hair care products," says Fred Scott, Arden's VP-marketing.

Although he would not reveal sales figures, Mr. Scott says: "If you compare its productivity with a lot of other more traditional clinics, makeup artists, promotions—we're looking at four to five times the productivity in total dollars," and purchases that are four to seven times higher than normal.

A dozen units currently touring department stores are given the credit for these increases. Mr. Scott indicates some permanent installations—one in Marshall Field & Co., Chicago—are pending. The cost of the unit is estimated to be $1 million.

Mr. Scott says that the promotional costs are divided between the stores and Arden. "The stores definitely participate in the promotional costs because they regard it as an extremely productive promotional opportunity," he says.

One month after Elizabeth debuted, Arden introduced the Skin Imaging Computer. This machine analyzes the texture and condition of a customer's skin for $15.

Arden tops off its high-tech sales staff with the Hair Analysis Computer, which was created in September 1985 to complement Philip Kingsley's line of hair care products. Both Elizabeth Arden and Philip Kingsley are subsidiaries of Indianapolis-based Eli Lilly & Co.

"We have eight computers," says Mr. Kingsley, and permanent installations are being constructed at Saks Fifth Avenue and Bloomingdale's in New York, Neiman Marcus in Dallas and Nordstrom in Los Angeles. "To produce them now, excluding the [research costs,] it would cost between $12,000 and $15,000," he says.

Mr. Kingsley says the costs are worth it. "The percentage increase is rather extraordinary. I think this year, in many stores, we are up 100%—but on the average we're up 60%. The cost of our products has not increased because of the computer."

Shiseido Cosmetics, a Tokyo-based cosmetics company, is joining the fray with the Makeup Simulator. The simulator is able to give the customer an on-screen make-over, change hair styles from long to short, alter hair texture, and add henna or highlights without physical application of the products to the customer.

Clairol's Color Visions allows a customer to preview four color shades and experiment with complementary makeup.

The $35 cost—applicable toward purchase—includes a facial and make-over. Shiseido also gives the client a before-and-after video printout, which is not available with Elizabeth.

"The average unit sale is $100 or more," says Lorraine Amadeo, Shiseido's national promotions manager. "It's a good service because when you take a product home with you, you know how to use it and why to use it."

The $100,000 simulator was introduced in September 1984, and Shiseido plans to add one more to the three currently in existence. "The company wishes to keep it as a very special event," says Ms. Amadeo. "If you put them all over the place, it becomes old hat."

The modest number of simulators, however, has not hindered sales increases. "During two 10-day promotions Shiseido's sales were in the $50,000 range," says Mari Chihaya, director-pr. The average unit sale during a promotion is about $100 per customer per promotion, according to Ms. Amadeo.

In 1984, Shiseido also created a Replica Skin Diagnosis System. An analyst evaluates a computerized printout and suggests optimal skin care.

"It is impossible to indicate the actual increase of sales on the days when Replica is in the stores," Ms. Chihaya says. "Some stores reported a 40% to 50% increase in sales of makeup and skin care products."

Shiseido, she says, is not providing these services simply to boost sales. "We consider ourselves extending quality products and service. We want to familiarize women with makeup techniques and what it does to their psyche."

A quick way to alter a consumer's psyche is to change her hair color, which Clairol's Color Visions can do in seconds via video. At no cost, a client can preview four color shades and experiment with complementary makeup. "We find the one-on-one consultation is just as important to the consumer as seeing her image on the screen," says Phyllis Klein, Clairol's publicity director. "The consultants are hair-color experts first."

Intermark Corp., a New York-based consulting unit of Howard Marlboro Group, worked closely with Clairol in developing Color Visions and Christy, a touch-screen salon computer. Intermark also devised computers for Pantene and Clarion, Noxell's new line of makeup. Although industry sources wouldn't reveal sales figures, Lili Mahlab, VP-marketing and sales for Intermark, says, "Clairol has not merchandized this system. They weren't really getting hard-core sales statistics."

"We are tracking incidence of use," says Maude Simard, Clairol's group director. "The conversion rate for non-hair coloring users who have gone through the system is approximately 75%."

Pantene's line of haircare products also has a touch-screen interface computer, which Intermark developed. Procter & Gamble, which acquired Pantene in November 1985, did not wish to release any statistics.A promotion for Clarion, Noxell's new makeup line, includes a touch-screen computer, which analyzes the customer's skin, hair and eye color and suggests products. "Our research found the key benefits of the unit were that it attracts attention at retail," says a Noxell executive.

"The No. 1 priority is raising the level of visibility [for the company]," says Dennis Smith, regional sales director, Shiseido, New York. He says that Shiseido doesn't advertise the promotion, but that it is usually advertised by the store, which pays 100% of the costs.

The retailer is also responsible for the in-store promotion, the cost of which "is a negotiable subject, depending on a number of factors [such as ad rates for the market the promo is running in]. We like to share everything [with the stores] on a 50/50 basis," he says.

"The machines cost $200,000, so it's very expensive. We do have three [computers] in the company," says Mr. Smith. "But, if we make the promotion too large, on a national scale, we create some animosity with other stores because some stores will never get a chance to see it. We just can't hit all the markets."

Hector the computer plays the key role in Guerlain's in-store promotion, "Theater Guerlain." The in-store computer promotion was created by Godfrey Rayner, Guerlain's special events and training director, and introduced in April 1986 at Macy's in San Francisco.

Hector, who interviews the customer and then determines the Guerlain scent that fits her personality, has been quite a hit. According to Mr. Rayner, "For a particular week that we do a promotion, we probably do sales increases of about 300%," or about a typical month's worth of sales. And, Mr. Rayner claims, is that after the promotion, "We create sales for the future. It seems that every store we have been in for the last year, there is a 25% to 37% increase in sales."

Mr. Rayner, however, refuses to run a promotion longer than two weeks. "We're talking about [extending the promotion] now, because it has been so successful. But then there's a case of flogging a dead horse."

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Retailers

(Continued from Page S-10)

who left Wayne, N.J.-based American Cyanamid's Jacqueline Cochran Division to assume the post at Benetton, says Benetton preferred to develop its own product rather than approach a company like Cosmair Inc., New York, or Estee Lauder, New York, to be the licenser. He says this way Benetton can maintain control of its product.

Industry watchers do not expect major department store retailers to enter the fray. Bloomingdale's, Saks Fifth Avenue and Neiman-Marcus have sprayed their own concoctions on consumers for years with limited success.

With specialty stores there is a greater interest to promote their fragrance, and they are more willing to hire people to promote their product, according to Mr. Mottus. For example, Benetton hired Mr. Grunberg away from Jacqueline Cochran to help develop Benetton's cosmetics division. "[Retailers] just are not manufacturers and can't try to be," says Mr. Mottus.